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Optima Automobile Group Holdings Limited
傲迪瑪汽車集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8418)

THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Optima Automobile Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

THIRD QUARTERLY RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the three months and nine months ended 30 September 2019 with comparative figures for the corresponding periods in 2018 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2019

		Three months ended 30 September		Nine months ended 30 September	
		2019	2018	2019	2018
	<i>Notes</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	5,358	4,221	13,335	13,121
Other net income and gains	4	33	155	224	308
Items of expenses					
Cost of materials		(1,441)	(1,304)	(3,658)	(4,020)
Employee benefit expenses		(1,458)	(1,182)	(3,842)	(3,604)
Other expenses		(418)	(864)	(1,329)	(2,558)
Depreciation of property, plant and equipment		(107)	(467)	(276)	(1,420)
Depreciation of right-of-use assets		(823)	–	(2,386)	–
Marketing and advertising expenses		(15)	(23)	(112)	(71)
Finance costs	5	(91)	(79)	(288)	(247)
Listing expenses		(434)	(1,004)	(848)	(2,420)
Impairment of trade receivables		(5)	–	(24)	(40)
Profit/(Loss) before income tax expense	6	599	(547)	796	(951)
Income tax expense	7	(212)	(67)	(362)	(229)
Profit/(Loss) for the period		387	(614)	434	(1,180)
Profit/(Loss) attributable to:					
Owners of the Company		387	(614)	434	(1,210)
Non-controlling interests		–	–	–	30
		387	(614)	434	(1,180)

	Three months ended		Nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
<i>Notes</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total comprehensive income attributable to:				
Owners of the Company	387	(614)	434	(1,210)
Non-controlling interests	<u>–</u>	<u>–</u>	<u>–</u>	<u>30</u>
	387	(614)	434	(1,180)
Earnings/(Loss) per share attributable to the owners of the Company for the period				
– Basic and diluted (S\$ cents)	<i>9</i>			
	<u>0.06</u>	<u>(0.10)</u>	<u>0.07</u>	<u>(0.20)</u>
Earnings/(Loss) per share attributable to the owners of the Company for the period				
– Basic and diluted (HK\$ cents)	<i>9</i>			
	<u>0.36</u>	<u>(0.57)</u>	<u>0.41</u>	<u>(1.16)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended 30 September 2019

	Share capital <i>S\$'000</i>	Share premium <i>S\$'000</i>	Merger reserve <i>S\$'000</i>	Other reserve <i>S\$'000</i>	Retained earnings <i>S\$'000</i>	Total <i>S\$'000</i>	Non- controlling interests <i>S\$'000</i>	Total equity <i>S\$'000</i>
At 1 January 2019 (audited)	17	1,693	2,645	(103)	2,653	6,905	–	6,905
Profit and total comprehensive income for the period	–	–	–	–	434	434	–	434
At 30 September 2019 (unaudited)	<u>17</u>	<u>1,693</u>	<u>2,645</u>	<u>(103)</u>	<u>3,087</u>	<u>7,339</u>	<u>–</u>	<u>7,339</u>
At 1 January 2018 (audited)	–	–	–	2,550	2,926	5,476	279	5,755
(Loss)/Profit and total comprehensive income for the period	–	–	–	–	(1,210)	(1,210)	30	(1,180)
Effect of acquiring part of non-controlling interests in a subsidiary	–	–	–	9	–	9	(309)	(300)
Issue of shares upon group reorganisation	17	–	2,645	(2,662)	–	–	–	–
Capital injection	–	1,693	–	–	–	1,693	–	1,693
At 30 September 2018 (unaudited)	<u>17</u>	<u>1,693</u>	<u>2,645</u>	<u>(103)</u>	<u>1,716</u>	<u>5,968</u>	<u>–</u>	<u>5,968</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 14 March 2018. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The principal place of business is located at 6 Kung Chong Road, Alexandra Industrial Estate, Singapore 159143.

The Company is an investment holding company and has not carried on any business since the date of its incorporation. The Group is principally engaged in the business of:

- 1) after-market automotive services – inspection, maintenance and repair services;
- 2) car rental services; and
- 3) supply of car spare parts, accessories and automotive equipment.

The Company's shares (the "Shares") were listed on GEM (the "Listing") on 11 October 2019 (the "Listing Date").

2. REORGANISATION AND BASIS OF PREPARATION

Pursuant to the reorganisation in preparation for the Listing (the "Reorganisation") and for the purpose of rationalising the Group's structure, the Company became the holding company of the subsidiaries now comprising the Group. Please refer to the prospectus of the Company dated 27 September 2019 that was published on the website of the Stock Exchange (the "Prospectus") for more details on the Reorganisation.

The unaudited condensed consolidated financial information of the Group for the three months and nine months ended 30 September 2019 has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and related interpretations issued by the Hong Kong Institute of Certified Public Accountants. In addition, the unaudited condensed consolidated financial statements include applicable disclosures requirement of the GEM Listing Rules.

Other than changes in accounting policies resulting from the application of new and amendments to the HKFRSs, the accounting policies and method of computation used in the unaudited condensed consolidated financial statements for the nine months ended 30 September 2019 are the same as those followed in the preparation of the Group's historical financial information for each of the three years ended 31 December 2018 included in the Accountants' Report in Appendix I of the Prospectus.

The unaudited condensed consolidated financial information is prepared on a historical cost basis. The unaudited condensed consolidated financial statements are presented in Singapore dollar ("S\$"), unless otherwise stated.

It should be noted that accounting estimates and assumptions are used in preparation of the unaudited consolidated financial information. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates and assumptions. These accounting estimates and assumptions are consistent with those set out in the Appendix I to the Prospectus.

Basis of consolidation

The unaudited condensed consolidated financial statements include the financial statements of the Company and its subsidiaries for the three months and nine months ended 30 September 2019.

Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the unaudited condensed consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure or rights to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

3. REVENUE

An analysis of revenue from the Group's principal activities, which is also the Group's turnover, is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers within the scope of HKFRS 15</i>				
Service income	3,925	3,226	9,510	9,822
Warranty income	381	354	1,093	1,202
Automotive supply income	413	36	829	225
<i>Revenue from other sources</i>				
Car rental income	639	605	1,903	1,872
	<u>5,358</u>	<u>4,221</u>	<u>13,335</u>	<u>13,121</u>
<i>Disaggregation by timing of revenue recognition</i>				
Over time	4,945	4,185	12,506	12,896
Point in time	413	36	829	225
	<u>5,358</u>	<u>4,221</u>	<u>13,335</u>	<u>13,121</u>

4. OTHER NET INCOME AND GAINS

	Three months ended		Nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Government grants	16	31	69	103
Reversal of provision for trade receivables	-	-	19	16
Others	17	124	136	189
	<u>33</u>	<u>155</u>	<u>224</u>	<u>308</u>

5. FINANCE COSTS

	Three months ended		Nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest element of finance lease payments	48	66	154	213
Interest element of lease liabilities	33	-	104	-
Interest on loans from shareholders	-	-	-	5
Interest on bank borrowings	10	13	30	29
	<u>91</u>	<u>79</u>	<u>288</u>	<u>247</u>

6. PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE

	Three months ended		Nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Profit/(Loss) before income tax expense is arrived at after charging:				
Auditor's remuneration	10	10	32	30
Cost of inventories recognised as expenses	1,441	1,304	3,658	4,020
Depreciation of right-of-use assets	823	–	2,386	–
Depreciation of property, plant and equipment	107	467	276	1,420
Employee benefit expenses (including directors' emoluments)				
– Salaries, allowances and other benefits	1,348	1,092	3,553	3,342
– Contributions to defined contribution retirement plan	110	90	289	262
– Total	<u>1,458</u>	<u>1,182</u>	<u>3,842</u>	<u>3,604</u>
Impairment of trade receivables	5	–	24	40
Operating lease payments in respect of leased premises	<u>50</u>	<u>372</u>	<u>230</u>	<u>1,132</u>

7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Subsidiaries in Singapore are subject to taxation at a rate of 17% on the estimated profits arising in Singapore.

	Three months ended		Nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax	212	67	339	229
Deferred tax	–	–	23	–
	<u>212</u>	<u>67</u>	<u>362</u>	<u>229</u>

8. DIVIDENDS

The Board did not recommend the payment of any dividend for the nine months ended 30 September 2019 (nine months ended 30 September 2018: Nil).

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
The basic and diluted earnings/(loss) per share for the period are calculated based on the following: Profit/(Loss) attributable to owners of the Company for the period	<u>387</u>	<u>(614)</u>	<u>434</u>	<u>(1,210)</u>
Weighted average number of ordinary shares in issue ('000) ⁽¹⁾	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Earnings/(Loss) per share (S\$ cents)	<u>0.06</u>	<u>(0.10)</u>	<u>0.07</u>	<u>(0.20)</u>
Earnings/(Loss) per share (HK\$ cents)	<u>0.36</u>	<u>(0.57)</u>	<u>0.41</u>	<u>(1.16)</u>

Diluted earnings/(loss) per share are the same as the basic earnings/(loss) per share as there were no potential dilutive shares in existence during the reporting period.

- (1) The weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share has been adjusted for the ordinary shares allotted and issued to shareholders in the capitalisation issue on 11 October 2019 (details of the capitalisation issue are disclosed in note 10).

10. EVENTS AFTER THE REPORTING PERIOD

On 11 October 2019, the Company issued a total of 250,000,000 ordinary shares of HK\$0.01 each at HK\$0.24 pursuant to the initial public offering of the Shares. On the same date, the Company allotted and issued 590,000,000 ordinary shares of HK\$0.01 each credited as fully paid to the shareholders by capitalising an amount of HK\$5,900,000 from the share premium account of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a one-stop after-market automotive service provider in Singapore offering comprehensive and integrated automotive related solutions to customers. The Group is principally engaged in the provision of a comprehensive range of after-market automotive services, with a focus on inspection, maintenance and repair services and also engaged in (i) offering short-term and long-term car rental services; and (ii) supplying passenger car spare parts, accessories and automotive equipment to customers in Singapore and overseas countries (i.e. Sri Lanka and Myanmar). The Group operates three service centres and one paint workshop in Singapore that are equipped with cutting-edge diagnostic equipment and facilities for provision of comprehensive after-market automotive services.

As disclosed in the Prospectus, in light of the expiry of the tenancy of the Upper Thomson Service Centre and the anticipated increase in market demand, the Group has relocated the Upper Thomson Service Centre to a new premise with a larger floor area where the Group set up the Tagore Service Centre in order to accommodate more hoists and parking spaces in late August 2019. The Directors do not expect these changes to impact the operations of the Group in any significant way.

OUTLOOK

The Shares were successfully listed on GEM by way of public offer and the placing (collectively, the “**Share Offer**”) on 11 October 2019.

Moving forward, with the additional capital raised from the Share Offer, the Group will pursue the following key business strategies: (i) expand the Group’s servicing capacity; (ii) continuing to grow the Group’s rental fleet to complement the Group’s after-market automotive business; (iii) strengthening the Group’s service capabilities and operating efficiencies; and (iv) brand building through strengthening the Group’s relationships with its existing customers and expanding the Group’s customer base. Subsequent to the successful Listing, the Group has commenced the evaluation of vendors for the upgrading of the Group’s information technology and equipment.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately S\$0.2 million or 1.6% from approximately S\$13.1 million for the nine months ended 30 September 2018 (“**PE2018**”) to approximately S\$13.3 million for the nine months ended 30 September 2019 (“**PE2019**”) which was mainly attributable to the increase in sales of passenger car parts and accessories to the customers in Myanmar.

The Group's revenue contribution for PE2019 from each business segment is similar to the Group's performance for PE2018. Revenue generated from the provision of after-market automotive services continued to be the Group's major sources of revenue.

Cost of materials

The Group's cost of materials decreased by approximately S\$0.3 million or 9.0% from approximately S\$4.0 million for PE2018 to approximately S\$3.7 million for PE2019. This was mainly due to the more competitive pricing received from the Group's new vendors.

Employee benefit expenses

The Group's employee benefit expenses increased by approximately S\$0.2 million or 6.6% from approximately S\$3.6 million for PE2018 to approximately S\$3.8 million for PE2019. This was mainly due to the interim bonus of approximately S\$0.2 million paid to the employees for PE2019. There was no bonus paid for PE2018.

Other expenses

The Group's other expenses decreased by approximately S\$1.3 million or 48.0% from approximately S\$2.6 million for PE2018 to approximately S\$1.3 million for PE2019. This was mainly due to the decrease in rental and utilities expenses as a result of the adoption of HKFRS 16 “Leases” on 1 January 2019. Additional right-of-use assets of leased properties for own use with a net carrying amount of approximately S\$3.2 million were recognised as at 1 January 2019 and were amortised on a straight-line basis and reflected in depreciation of right-of-use assets accordingly.

Listing expenses

In preparation of the Listing, the Group incurred Listing expenses of approximately S\$0.8 million for PE2019, while the amount was approximately \$2.4 million for PE2018.

Profit/(Loss) and total comprehensive income for the period

The Group recorded a profit for PE2019 of approximately S\$0.4 million compared to a loss for PE2018 of approximately S\$1.2 million. This was mainly due to the higher Listing expenses incurred in PE2018.

USE OF PROCEEDS

The Shares were listed on GEM on 11 October 2019 by way of Share Offer. The actual net proceeds from the Share Offer, after deducting commissions and expenses borne by the Company in connection with the Share Offer, were approximately HK\$17.5 million (the “**Actual Net Proceeds**”), which were lower than the estimated figure as stated in the Prospectus. Thus, the Company intends to apply the Actual Net Proceeds in accordance with the proposed implementation plan as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus but with monetary adjustments to each implementation plans on a pro-rata basis. The table below sets out the adjusted allocation. As at the date of this announcement, there is no utilisation.

	HK\$ million	Total % of proceeds
Expand servicing capacity	7.3	41.7%
Grow rental fleet	5.1	29.1%
Strengthen service capabilities and operating efficiencies	3.1	17.7%
Brand building	0.3	1.7%
Working capital and general corporate purpose	1.7	9.7%
	<u>17.5</u>	<u>100.0%</u>

OTHER INFORMATION

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

Since the Shares were not listed on GEM as at 30 September 2019, Divisions 7 and 8 of Part XV of the Securities and Future Ordinance (“SFO”) and section 352 of the SFO were not applicable to the Company, the Directors and chief executive of the Company as at 30 September 2019.

As at the date of this announcement, the interests and short positions of the Directors and chief executive of the Company or any of their respective associates in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

Long Positions

Name of Director	Capacity/ Nature of Interest	Number of Shares held	Approximate percentage of Shareholding ⁽¹⁾
Mr. Ang Lay Keong (Hong Liqiang) ("Mr. Ang") ⁽²⁾	Interest in a controlled corporation	378,798,000	44.56%
Ms. Lim Li Ling (Lin Liling) ⁽³⁾	Interest of spouse	378,798,000	44.56%

Notes:

- (1) The percentage has been compiled based on the total number of 850,000,000 Shares in issue as at the date of this announcement.
- (2) This represents the Shares held by Red Link International Limited ("**Red Link**"), a company that is beneficially owned by Ms. Lim Fang Fang, Queenie (Lin Fangfang, Queenie) ("**Ms. FF Lim**") as to 54.70% and Mr. Ang as to 45.30%. Therefore, Mr. Ang and Ms. FF Lim are deemed to be interested in all the Shares held by Red Link under the SFO.
- (3) Ms. Lim Li Ling (Lin Liling), one of the executive Directors, is the spouse of Mr. Ang, and is deemed to be interested in all the Shares held by Red Link in which Mr. Ang is deemed to be interested under the SFO.

Save as disclosed above, as at the date of this announcement, none of the Directors or chief executive of the Company nor their associates have interests or short positions in any Shares or underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions of the SFO) or that are required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Since the Shares were not listed on GEM as at 30 September 2019, Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO were not applicable to the Company and the substantial shareholders as at 30 September 2019.

As at the date of this announcement, so far as the Directors are aware, the persons/entities (other than Directors or chief executive of the Company) who have interests and short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company pursuant to the provisions in Divisions 2 and 3 of Part XV of the SFO or would be required to be entered in the register maintained by the Company pursuant to section 336 of the SFO are as follows:

Long Positions

Name	Capacity/Nature of Interest	Number of Shares held	Approximate percentage of shareholding ⁽¹⁾
Red Link	Beneficial owner	378,798,000	44.56%
Ms. FF Lim ⁽²⁾	Interest in a controlled corporation	378,798,000	44.56%
Mr. Ng Chee Keen ⁽³⁾	Interest of spouse	378,798,000	44.56%
Mr. Chee Siew Wee	Beneficial owner	48,702,000	5.73%
Mr. Chong Soo Hoon, Sean	Beneficial owner	48,450,000	5.70%

Notes:

- (1) The percentage has been compiled based on the total number of 850,000,000 Shares in issue as at the date of this announcement.
- (2) This represents the shares held by Red Link, a company that is beneficially owned by Ms. FF Lim as to 54.70%. Therefore, Ms. FF Lim is deemed to be interested in all the Shares held by Red Link under the SFO.
- (3) Mr. Ng Chee Keen is the spouse of Ms. FF Lim and is deemed to be interested in all the Shares held by Red Link in which Ms. FF Lim is deemed to be interested under the SFO.

Save as disclosed above, as at the date of this announcement, the Directors are not aware of any other person (other than the Directors or chief executive of the Company as disclosed in the section headed "Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations" above) who have or are deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company which have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or are recorded in the register required to be kept by the Company under section 336 of the SFO.

COMPETING INTERESTS

During the nine months ended 30 September 2019, none of the Directors or the controlling shareholders of the Company or their close associates (as defined in the GEM Listing Rules) was interested in any business which competes or may compete, either directly or indirectly, with the Group's business nor did they have any other conflicts of interest with the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

As the Shares were first listed on GEM on 11 October 2019, purchase, sales or redemption of the Company's listed securities was not applicable for the nine months ended 30 September 2019. Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities since the Listing Date and up to the date of this announcement.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 18 September 2019 (the "**Share Option Scheme**"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share option has been granted since the adoption of the Share Option Scheme and there is no share option outstanding as at 30 September 2019.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions by Directors on terms as required by Rules 5.48 to 5.67 of the GEM Listing Rules ("**Required Standard of Dealings**"). The Company had made specific enquiries with written guidelines in relation to the Required Standard of Dealings to all Directors, all Directors have confirmed that they complied with the required standards set out in the Required Standard of Dealings for the period from the Listing Date up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company considers the maintenance of a high standard of corporate governance important to the continuous growth of the Group. The Company's corporate governance practices are based on code provisions as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 15 to the GEM Listing Rules. As the Shares were listed on GEM on 11 October 2019, except for the deviation from paragraph A.2.1 of the CG Code as stated below, the Company has adopted and complied with, where applicable, the CG Code to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner.

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, we do not have a separate chairman and chief executive officer and Mr. Ang is currently performing these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Save as disclosed above, the Directors consider that throughout the period from the Listing Date to the date of this announcement, the Company has applied the principles and complied with all the applicable code provisions set out in the CG Code.

INTEREST OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Orient Capital (Hong Kong) Limited (“**Orient Capital**”) as the Company’s compliance adviser. Save for the compliance adviser service agreement entered into between the Company and Orient Capital dated 28 June 2018, none of Orient Capital or its directors, employees or associates (as defined in the GEM Listing Rules) had any interest in the Group as at 30 September 2019, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review the Company’s financial information and oversee the Company’s financial reporting system, risk management and internal control procedures. The full terms of reference setting out details of duties of the Audit Committee are in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company.

The Audit Committee comprises of three independent non-executive directors, namely Mr. Tang Chi Chiu, Mr. Chu Kin Ming and Ms. Liang Weizhang. The chairman is Mr. Tang Chi Chiu, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

The third quarterly results of the Group for the nine months ended 30 September 2019 have not been audited. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2019 and is of the opinion that the preparation of such statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

EVENT AFTER REPORTING PERIOD

On 11 October 2019, the Shares were successfully listed on GEM with stock code 8418. Save as disclosed, there is no significant event after the reporting period of the Group.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our shareholders, business partners and customers for their continuous support to the Group. I would also extend my gratitude and appreciation to all the Directors, management and staff for their hard work and dedication throughout the period.

By Order of the Board
Optima Automobile Group Holdings Limited
Ang Lay Keong (Hong Liqiang)
Chairman and Executive Director

Hong Kong, 8 November 2019

As at the date of this announcement, the executive Directors are Mr. Ang Lay Keong (Hong Liqiang), Ms. Lim Li Ling (Lin Liling), and Ms. Tan Peck Luan (Chen Biluan). The independent non-executive Directors are Mr. Chu Kin Ming, Mr. Tang Chi Chiu, and Ms. Liang Weizhang.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least seven days from the day of its posting. This announcement will also be published on the website of the Company at www.ow.sg.